

PLEASE NOTE, THIS DOCUMENT CAN ONLY BE USED IF THE DEVELOPMENT IN QUESTION HAS AN ORGANIZED RESIDENT GROUP . IF IT DOES NOT, THE HA IS OBLIGATED TO FIRST TRY TO ORGANIZE A GROUP . IF THEY ARE SUCCESSFUL, THEY CAN THEN MAKE THIS OFFER. IF THE RESIDENTS ARE NOT SUCCESSFUL IN ORGANIZING A RESIDENT GROUP, THEN THE HA HAS TO DOCUMENT ITS EFFORTS AND MAKE IT PART OF THE APPLICATION PACKAGE .

Offer of Sale

1. Any Resident Management Corporation, Resident Council or Resident Cooperative of the affected development has an opportunity to purchase the affected portion of this development from the Aardvark Housing Authority (AHA).
2. The development in question is identified as Nell Houses, 345 Snidely Whiplash Road. It consist of 180 units (80 two bedroom, 60 three bedroom, 40 four bedroom apartments) in two, five story elevator structures. The HUD project number is MN27P006002. Nell Houses is currently 80% occupied.
3. The AHA's intention is to demolish these structures and construct a reduced number of replacement housing units back on the site.
4. The development was built in 1954 and under went a substantial rehabilitation in 1980 when the heating system, elevators, roofs and apartment interiors were upgraded. An appraisal was performed two months ago which put the value of the property at \$8,100,000. At the same time the AHA's consultants estimated the capital improvement costs for this development to be \$7,000,000. The development has been found to be free of lead paint, but there is friable asbestos in the heating system insulation, and the floor tile throughout the development have been identified as an Asbestos Containing Material (ACM). The cost for abatement is included in the repair estimate.
5. Resident groups desiring technical assistance can contact Linda Goodheart, Director of the Community Development Branch at AHA at (555) 375-1212. Resident groups may also contact Harvey Niceguy, CRI Chief, at the Mudville HUD office (444)123-4567.
6. The AHA requires your response within 30 days of the date of this letter expressing your interest in pursuing the purchase of this property or waiving your opportunity to purchase. If you do not respond by the 30 day limit, we will take that as your having no interest in the purchase and the

AHA will continue with its plan to present a demolition package to HUD as outlined earlier. You may respond earlier than 30 days.

7. If you choose to accept our offer of sale, you will be given sixty days from the date of your letter of interest to develop and submit a formal proposal.
8. The AHA expects to get an offer for at least the appraised value of the property. If you plan to offer less than that amount, you will have to demonstrate the commensurate public value.
9. Your proposal will have to contain the following information at a minimum:
 - A. The length of time the organization has been in existence;
 - B. A description of current or past activities which demonstrate the entity's organizational and management capability or the planned acquisition of such capability through a partner or other outside entities;
 - C. A statement of financial capability;
 - D. A description of involvement of any non-resident organization (non-profit, for profit, governmental or other entities), if any, the proposed division of responsibilities between these two, and the non-resident organization's financial capabilities;
 - E. A plan for financing the purchase of the property and a firm commitment for funding resources necessary to purchase the property and pay for any necessary repairs;
 - F. A plan for the use of the property;
 - G. The proposed purchase price in relation to the appraised value;
 - H. Justification for purchase at less than the fair market value in accordance with 970.9, if appropriate;
 - I. Estimated time schedule for completing the transaction;
 - J. The response to the PHA's terms of sale;

- K. A resolution from the resident organization's Board approving the proposal; and
- L. A proposed date of settlement, generally not to exceed six months from the date of PHA approval of the proposal, or such period as the PHA may determine to be reasonable.

The Aardvark HA has up to 60 days to evaluate the proposal. The resident organization will be formally informed of AHA's decision within 14 days, i.e., the most amount of time that the AHA can take is 74 days before giving the resident organization a formal decision.

The resident organization may appeal our decision to the local HUD Office. The appeal to HUD must be made within 30 days of the AHA's formal reply.